

City of Graham

P. O. Drawer 357
201 South Main Street
Graham, North Carolina 27253
Tel: (336) 570-6700 / Fax: (336) 570-6703

March 13, 2014

Joint Legislative Committee on Local Government
Committee Chair and Committee Assistant
NC General Assembly
16 W. Jones Street
Raleigh, NC 27601

RE: City of Graham Water Plant Improvements and Water and Sewer Line Extensions

Ladies and Gentlemen:

In accordance with Section 120-157.2(a) of the General Statutes of North Carolina, as amended, the City of Graham North Carolina hereby notifies you of its intent to utilize an installment purchase contract under North Carolina General Statute 160A, Article 3, Section 20. The principal amount is anticipated not to exceed \$6.9 million to finance both the Water Plant Improvements and Water and Sewer Line Extensions to serve a newly created economic development zone that includes a new Wal-Mart Perishable Foods Distribution Center. Both projects are jointly owned and operated by the City of Graham and the City of Mebane per interlocal agreement. The two cities have agreed to jointly conduct the projects, with each seeking separate financing.

The project will be completed in three phases over the next year:

1. Water treatment plant upgrade
2. Installation of utility lines from Graham to the site
3. Installation of lines from Mebane to the site (following the installation of a roadway by NCDOT)

As required by the Local Government Commission, we are currently seeking bids for the first two phases, to be received by the end of this month. The projects are projected in the City of Graham's preliminary 2014-15 capital improvement plan and estimated debt service requirements will be included in the 2014-15 operating budget.

The City of Graham anticipates that the North Carolina Local Government Commission will consider approval of the issuance of this proposed debt at its meeting scheduled for May 6, 2014.

CITY OF GRAHAM

A handwritten signature in blue ink, appearing to read 'Frankie Maness', with a stylized, flowing script.

Frankie Maness
City Manager

cc: Fiscal Research Division
NC General Assembly
Suite 619
Legislative Office Building
300 North Salisbury Street
Raleigh, NC 27603-1385

Vance Holloman, Secretary
Local Government Commission
NC Department of State Treasurer
325 North Salisbury Street
Raleigh, NC 27603-1385